

## 1997 SMALL BUSINESS PROFILE

### SMALL BUSINESS: BACKBONE OF THE FLORIDA ECONOMY

The importance of small business to the state of Florida is evident in the 1997 Small Business Profile. The findings reported in this year's profile, compiled by the U.S. Small Business Administration's (SBA) Office of Advocacy, clearly indicate the crucial role small businesses play in the state's economy. Not only do small businesses play a vital role as job creators, but their diversity and composition provide the work force with endless opportunities.

**Number of Businesses** - In 1996, Florida had 348,339 businesses with employees; 98.9 percent of the businesses were small businesses (percent based on 1994 data for independent businesses with fewer than 500 workers). In addition to the number of employer businesses, the state also had 412,000 self-employed persons in 1996, for an estimated total of 760,339 businesses.

**Small Business Income** - The income of sole proprietors and partners rose 5.2 percent to \$17.1 billion in 1996, while wage-and-salary income rose 7.4 percent. Total personal income rose 7.2 percent to \$188.3 billion. The state also exported \$19.6 billion of goods in 1996.

**Minority Businesses** - According to The National Foundation for Women Business Owners, as of 1996, there were 496,700 women-owned businesses in Florida, including part-time firms, employing 1,292,800 people and generating \$141.1 billion in sales. Between 1987-1996, the number of women-owned businesses, increased 106.3 percent.

According to the latest Bureau of the Census data, the number of Black-owned firms, including part-time firms, increased 58.2 percent from 1987 to 1992, totaling 40,371 in 1992. The number of Hispanic-owned firms, including part-time businesses, rose 83.5 percent during the same time period with 118,208 firms in 1992. There has also been a marked increase in the number of businesses owned by Asian and Pacific Islanders, American Indians, and Alaskan Natives. The number for this group grew from 8,902 in 1987, to 17,499 in 1992, representing a 96.6 percent increase.

**Business Turnover** - The number of new firms decreased 7.7 percent, while new business incorporations increased 6.2 percent in 1996. Financial difficulties leading to business bankruptcies increased by 4.0 percent and business failures decreased by 8.6 percent during 1996.

**Finance** - An SBA Office of Advocacy study found that the number of banks in Florida decreased from 364 in 1994 to 296 in 1996. The study also found the top lenders to small businesses in fiscal year 1996 were:

Bank Name	Location
FARMERS & MRCH BK	Monticello
FIRST NB OF WAUCHULA	Wauchula
AMERICAN B&TC	Pensacola
FIRST CMNTY BK	Orange City
MANUFACTURERS BK OF FL	Tampa
C&L BK OF BLOUNTSTOWN	Blountstown
FIDELITY BK OF FL	Merritt Island
FIRST NB OF SOUTHWEST FL	Cape Coral
TRANSATLANTIC BK	Coral Gables
FIRST NB&TC	Fort Walton Beach
CAPITAL CITY BK	Tallahassee
SUNTRUST BK NATURE COAST	Brooksville
BARNETT BK NA	Jacksonville
FIRST UNION NB FL	Jacksonville

**Job Growth** - Small businesses created 1,080,977 of the 1,193,975 net new jobs from 1992 to 1996. Very small businesses (<20 employees) created 71.7 percent of the small business growth with 775,040 new jobs. These numbers reflect the importance of small businesses as job creators.

Number of Jobs Created by Major Industry and Employment Size of Firm, 1992-1996

Industry	1-4	5-19	20-99	100-499	500+	Totals
All Industries	582,922	192,118	121,328	184,608	112,998	1,193,975
Manufacturing	12,711	14,748	8,630	13,996	10,650	60,734
Retail Trade	107,323	27,893	31,719	36,180	(15,492)	187,622
Services	273,531	82,067	59,650	88,799	150,914	654,960
Other	189,357	67,410	21,332	45,633	(33,074)	290,658

**Industries** - The composition of small business in Florida is very diverse. The Eating & Drinking Places industry is the largest small business employer in Florida, followed by Health Services. The fastest growing industry for small business is Nondepository Credit Institutions (represents industries that were at least 0.25% of the 1994 total).

The following three tables provide further information about the composition of the small business sector in the state. The information is for 1994, the latest year available.

Table 1, Top Five Industries in Florida by Employment, 1994

Industry	SIC	Employment Total	Percent of Total	Percent Small
Total - All Industries	--	4,984,133	100.0	53.5
Health Services	8000	579,540	11.6	39.9
Eating & Drinking Places	5800	429,281	8.6	59.2
Business Services	7300	426,056	8.5	41.5
Food Stores	5400	217,732	4.4	18.1
Special Trade Contractors	1700	187,144	3.8	94.3

Table 2, Top Five Small Business Industries in Florida by Employment, 1994

Industry	SIC	Employment in firms with 0 - 499 employees	Percent of Total	Percent Small
Total - All Industries	--	2,664,522	100.0	53.5
Eating & Drinking Places	5800	254,276	8.6	59.2
Health Services	8000	231,359	11.6	39.9
Business Services	7300	176,675	8.5	41.5
Special Trade Contractors	1700	176,467	3.8	94.3
Wholesale Trade - Durable Goods	5000	132,641	3.7	72.2

Table 3, Fastest Growing Industries for Small Business in Florida, 1993 - 1994

Industry	1993	1994	Amount Change	Percent Change
Total - All Industries	2,625,349	2,664,522	39,173	1.5
Nondepository Credit Institutions	8,279	10,372	2,093	25.3
Transportation By Air	10,132	12,048	1,916	18.9
Food & Kindred Products	11,536	12,726	1,190	10.3
Water Transportation	8,279	8,928	649	7.8
Transportation Equipment	13,683	14,605	922	6.7

**Sources:** Office of Advocacy, U.S. Small Business Administration from data provided by the Department of Commerce, Department of Labor, Administrative Office of the U.S. Courts, Federal Reserve Board, Dun & Bradstreet Corporation, National Foundation of Women Business Owners, and Cognetics Inc.